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Ex Parte

RECEIVED

April 12, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Room TW-A325
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Implementation of the Local Competition Provisions of the
Telecommunications Act of 1996, CC Dkt. No. 96-98, UNE Remand Order

Dear Ms. Salas:

Qwest Communications Corporation submits the following comments in support of the January 30, 2001 *ex parte* filing by Allegiance Telecom, Inc. ("Allegiance") regarding the unbundled local switching provisions of the UNE Remand Order. Qwest supports the Allegiance proposal to expand the scope of the rule because it more accurately reflects the state of competition in the local switching market.

Qwest agrees that the presence of four or more CLEC switches providing service to customers in an MSA demonstrates that CLECs are not impaired in their ability to serve business customers without access to ILEC unbundled switching. To that end, Qwest has already provided the Commission with information regarding the assignment of NXXs codes to CLECs (published in the Local Exchange Routing Guide ("LERG")), which we believe is indicative of the presence of CLEC-owned switches in our territory. Although there is significant activity in the Qwest MSAs in the Top 50 MSAs, we also note considerable NXX code assignments have occurred in many of our smaller MSAs, including many outside of the Top 100 MSAs. For such a rule to work without disputes between providers however, there needs to be agreement as to how the presence of service provided by a CLEC-owned switch is determined: Qwest believes collocation data and/or the purchase of Enhanced Extended Links (EELs) by a CLEC, coupled with LERG data regarding switches, are reliable indicators. We

would also like to clarify that it is not necessary for a switch actually to be located in an MSA in order to provide service to customers in the MSA. We believe the impairment test is met, irrespective of the actual switch location, if a CLEC is currently providing service out of its own switch to customers in the MSA.

Qwest agrees that a line drawn between business and residential customers should replace the four-line restriction. Some CLECs have argued that the need to perform line cutovers ("Hot Cuts") for customers served by competitive switches justifies raising the customer line threshold above the current four-line limit. On the contrary, Qwest's hot cut data suggests that there is no need for a four-line restriction. In fact, 82% of the hot cut orders completed between April 3rd and June 23rd 2000 in Qwest MSAs in the Top 100 MSAs were for customers of 0-3 lines, indicating that customers in this market are being served by competitive switches. A distinction between business and residential customers is supported by Qwest's Small Business market data as well. Qwest's own analysis of line losses in the Small Business market (similar to the analysis presented to the FCC by Verizon in its ex parte dated December 21, 2000) indicates that only 27% of the lines lost between January and November 2000 can be explained by a customer shift to UNE-P or Resale, resulting in 73% of the lines lost to competitive providers. Thus, clearly there is competition in the small business market.

MSAs should replace the MSA/Density Zone restriction. The application of zone density factors in determining where ILECs should be exempt from unbundling local switching should be eliminated. Although such factors were intended to be an indicator of the more "dense" or more competitive wire centers within an MSA, inconsistencies in ILEC applications of the zone designation formula have resulted in disparate results as they impact unbundled switching. In fact, although we see competition in our more dense markets, it is certainly not limited to specific wire centers within an MSA. Moreover, we are seeing CLEC-owned switches in many Qwest MSAs beyond those in the Top 100 MSAs in the USA, and we believe that to draw a line for the unbundled switching exception at the Top 50 or Top 100 MSAs would be arbitrary and unfair to those ILECs (such as Qwest) with fewer of the "Top" MSAs.

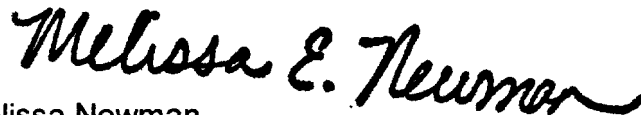
If necessary, Qwest will support the addition of a collocation requirement in addition to four CLEC switching providers in an MSA. Although Qwest believes the presence of four or more CLEC switches in an MSA is adequate to assure competitive alternatives to ILEC switching, we would support a collocation requirement as described by Allegiance if necessary to obtain unbundled switching relief. Qwest's version differs only slightly from that which Allegiance proposes: instead of a requirement that 50% of the wire centers in an MSA have four or more collocated CLECs, Qwest would have a requirement that 50% of the wire centers in an MSA have a total of four or more collocated CLECs and/or EELs purchased by CLECs. We propose this standard because, in response to CLEC requests to minimize collocation costs, Qwest has agreed to make EELs

available everywhere, subject to the local service thresholds contained in the Supplemental Order Clarification. Because the provision of EELs effectively equates to a collocation, we feel the inclusion of the EEL requirement is consistent with the Allegiance proposal. Further, we support the "grandfathering" of MSAs which are currently excepted under the Top 50 MSA/Zone 1 plan but which would not qualify here.

In addition to our belief that Allegiance's proposal will fairly provide for relief from unbundled local switching where there is competition, the administration and implementation of an unbundled switching exception as proposed by Allegiance will be far simpler and easier to implement than the current rule.

An original and two copies of this letter are being filed with the Commission. Acknowledgement and date of receipt of this letter are requested (a third copy is attached for that purpose).

Please contact me if you would like to discuss this further.

A handwritten signature in black ink that reads "Melissa E. Newman". The signature is written in a cursive, flowing style.

Melissa Newman